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SUBJECT: LULA'S GOVERNMENT IN THE CROSSHAIRS: A PT PERSPECTIVE ON
THE WORLD SOCIAL FORUM IN CARACAS

REF: Caracas 260

Sensitive but Unclassified -- Protect Accordingly

¶1. (SBU) Summary: Although they deny it, members of President Lula's Workers' Party (Partido dos Trabalhadores - PT) who attended the Sixth World Social Forum - Americas Region (WSF) in Caracas in late January had some difficult moments. The event became Hugo Chavez's show and Brazil was criticized for being an "imperialistic force" in Latin America. Demonstrators at the Forum criticized the presence of Brazilian troops in Haiti, operations of state-owned Petrobras in Bolivia, and President Lula's economic policies. End Summary.

¶2. (SBU) According to participants' reports cited by Ana Maria Stuart, PT International Affairs advisor, the event was disorganized. Seminars were held in many places far away from each other and with no good options for public transportation. Thus, many seminars were left empty because the participants couldn't get there on time. The internal disorganization combined with the chaotic traffic in Caracas made participants' life harder than it was at the 2005 WSF in Porto Alegre, Rio Grande do Sul, in southern Brazil.

¶3. (SBU) PT members present at the WSF joined the chorus of criticism against Brazil and Lula's government. Antonio Carlos Spis, representative of the Sao Paulo Unified Workers' Confederation (CUT) - a labor umbrella group -- and Coordinator of the Social Movement Forum, one of the largest panels of Caracas, asserted that the criticism of Lula's government is "natural." The social movements, he noted, gathered in Caracas agreed to call for 1) Withdrawal of Brazilian forces from Haiti, and 2) Withdrawal of American forces from Iraq. They also wanted to express their opposition to American imperialism throughout the world, and to Brazilian imperialism in Bolivia and Ecuador, where Brazil has economic interests.

¶4. (SBU) According to Spis, the criticism against America and Brazil are different in kind because the former is destructive ("we

want George Bush dead") while the latter is constructive ("we support Lula's government even though we disagree with many of its policies.") In addition, perhaps as a means of demonstrating where their sympathies lie, CUT and the Federation Oil Workers (Petrobras employees' union) announced their willingness to support the Bolivian government's decision concerning exploitation of natural gas, whatever it turns out to be. They even talked about going on strike in Brazil to support Bolivia. When asked if CUT and the oil workers would support the nationalization of Petrobras holdings in Bolivia, Spis answered that Evo Morales has already said that is not part of his plans.

15. (U) The direction of the WSF as a whole is under discussion. Up to now it has been a place where people from outside the mainstream international organizations get together to discuss social issues, an alternative to the Davos World Economic Forum. However, according to Ana Maria Stuart, some participants, including some PT representatives, believe the WSF should present, in a more formal way, at the end of each session, delegates' views and recommendations on important contemporary issues. They would like to see more concrete results from the meetings.

16. (SBU) Oded Grajew, Chairman of the Instituto Ethos, who is a founder of the WSF and a former advisor to Lula, stressed the diverse, decentralized nature of the Forum and said those who are pushing for a more proactive agenda represent a very small minority. He said the Forum will continue to be a process and a debating society which will foment change only indirectly. Grajew acknowledged that Hugo Chavez had appropriated this year's regional Forum for his own purposes, but indicated that host governments always try to do this, as the Brazilian government had itself done at past events in Porto Alegre. There was a qualitative difference this time, he noted, because of the close affinity between Chavez

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and some of the more militant and vocal leftist organizations, and because of the timbre, tone, and volume of Chavez's rhetoric. But Grajew insisted that the Forum is not a monolithic body that issues resolutions, but rather a collection of independent movements, each of which sponsors its own activities (hence the thousands of different events in Caracas - see reftel) and speaks for itself. Many of these groups oppose any use of force, including military force, to bring about social change; thus it was natural for such organizations to criticize the presence of Brazilian peacekeeping forces in Haiti. This criticism was not meant to reflect badly on Brazil or its government. Grajew also acknowledged that the Lula government came under criticism for its "neo-liberal" macroeconomic policies, but, like Spis, he characterized it as "friendly" criticism from people who consider Lula one of their own and wish him well but want him to do more to combat inequality. He also noted that, although it didn't receive much publicity, Chavez himself was criticized by many Forum elements because Venezuela's economy is dependent on the petroleum sector, which tends to be a source of global conflict as well as a danger to the environment. Some leftists, he added, are also uncomfortable with Chavez's military background and posture, and his flamboyance.

17. (SBU) Comment: President Lula received some criticism at home for not attending this year's WSF (though some members of his government were there, as was his former Chief of Staff, Jose Dirceu). No doubt he knew he would be upstaged by Chavez, and that he would be subjected to criticism from militant leftists. As presidential campaign 2006 draws nearer, Lula continues to wrestle with the question of how to mobilize his party's leftist base while at the same time reaching out to try to regain the support of centrist, middle-class voters who have been disillusioned by several months of political scandals, and who he will need to attract to win re-election. End comment.

18. (U) This cable was cleared/coordinated with Embassy Brasilia.

McMullen